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BULLETIN #99-01

TO: All Admitted Insurance Companies, Licensees and Interested Parties

FROM: James H. "Jim" Brown, Commissioner

RE: Consent for Prohibited Person to engage in Insurance Business, 18 United States Code, Sections 1033 and 1034

DATE: June 1, 1999

This Bulletin is to advise all persons and entities engaged in or contemplating being engaged in the business of insurance in this state, that the Louisiana Department of Insurance (Department) has enacted guidelines and requirements for granting written consent to engage in the business of insurance for individuals who are considered "prohibited persons" under The Violent Crime Control and Law Enforcement Act of 1994, Title 18 U.S. Code, Sections 1033 and 1034.

A "prohibited person" is an individual who has been convicted of any felony involving dishonesty or a breach of trust, or who has been convicted of an offense under this section, and who willfully engages in the business of insurance whose activities affect interstate commerce or participates in such business. The term "business of insurance" is broadly defined in 1033, and there is no grandfather provision for those persons covered by this definition and currently employed in the business of insurance.


Every prohibited person must be granted written consent to engage in the business of insurance by the Commissioner of Insurance and that consent must specify that it is granted for the purpose of Title 18 U. S. Code § 1033, before engaging in the business of insurance. **The granting of a license does not constitute a written consent under 1033.**

A prohibited person who is engaged or intends to be engaged in the business of insurance in this state must notify the Department of their status. The Department will then furnish the prohibited person with the application to initiate the process of seeking written consent from the Commissioner to engage in, or continue to participate in the business of insurance.

Under this statute, it is a criminal offense for anyone to willfully permit a prohibited person to conduct insurance activity. Any entity conducting insurance activity has the responsibility of notifying the appropriate Department of all employees who are affected by this law and have them apply for an exemption.

An insurer domiciled in a state other than Louisiana which has agents or employees who transact business in this state, shall forward the names of each employee or agent who is deemed to be a prohibited person to this Department. Written consent from the regulatory official of the state of domicile of the insurer should be forwarded if it has been obtained.

All affected persons or entities are encouraged to thoroughly review the Act and their compliance therewith. Decisions on written consent will be made on a case by case basis. Specific inquiries concerning this Bulletin, information regarding the procedure or request for applications for exemption, should be directed to the attention of the Legal Division of the Department.


James H. "Jim" Brown
Commissioner of Insurance